

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
AT NASHVILLE

In re: DIRECT GENERAL CORP.)
SECURITIES LITIGATION) NO. 3:05-0077
) JUDGE CAMPBELL
)
)

ORDER

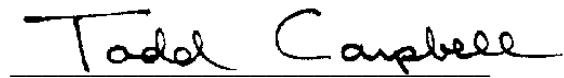
Pending before the Court are the following Motions: Motion to Dismiss of Defendant Direct General Corp. and the Individual Defendants (Docket No. 106); Motion to Dismiss of Defendants William C. Adair, Jr. Trust and Tammy Adair, Trustee (Docket No. 108); Motion to Dismiss of Defendant Ernst & Young, LLP (Docket No. 130); Motion to Dismiss of the Underwriter Defendants (Docket No. 133); Motion for Hearing of Underwriter Defendants (Docket No. 137); Motion for Oral Argument of Lead Plaintiffs (Docket No. 148); Motion to Strike of Lead Plaintiffs (Docket No. 150); and Motion by Defendant Direct General and the Individual Defendants for Judicial Notice (Docket No. 164).

For the reasons stated in the accompanying Memorandum, the Motion to Dismiss of Defendant Direct General Corp. and the Individual Defendants (Docket No. 106) is GRANTED in part and DENIED in part; the Motion to Dismiss of Defendants William C. Adair, Jr. Trust and Tammy Adair, Trustee (Docket No. 108) is GRANTED; the Motion to Dismiss of Defendant Ernst & Young, LLP (Docket No. 130) is GRANTED in part and DENIED in part; the Motion to Dismiss of the Underwriter Defendants (Docket No. 133) is GRANTED in part and DENIED in part; the Motion for Hearing of Underwriter Defendants (Docket No. 137) and the Motion for Oral Argument of Lead Plaintiffs (Docket No. 148) are DENIED as moot; the Motion to Strike of Lead Plaintiffs

(Docket No. 150) is GRANTED in part and DENIED in part; and the Motion by Defendant Direct General and the Individual Defendants for Judicial Notice (Docket No. 164) is GRANTED in part and DENIED in part.

Plaintiffs' claims against the William C. Adair, Jr. Trust and Tammy Adair in her capacity as Trustee are DISMISSED. Plaintiffs' Section 12 claims related to the August 2003 IPO are DISMISSED. Plaintiffs' Section 10b and Rule 10b-5 claims against Ernst & Young are DISMISSED. Any stay of discovery in this case is lifted.

IT IS SO ORDERED.

A handwritten signature in black ink, reading "Todd Campbell", written over a horizontal line.

TODD J. CAMPBELL
UNITED STATES DISTRICT JUDGE